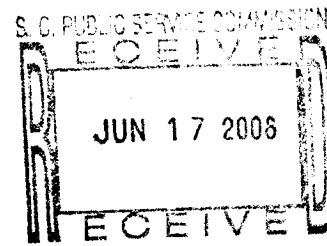


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Duke Energy's Own Study Shows Cliffside, New Nukes Aren't Needed

Duke, Progress try to squelch expert testimony, debate on over-supply of electricity

Statement from Executive Director Jim Warren:

DURHAM, NC – A 2007 study commissioned by Duke Energy proves the company could reduce nearly one-fifth of its electricity demand through cost-effective efficiency programs. Former Duke University economist John Blackburn unearthed the study, and has submitted additional analysis that further dispels the need for Duke and Progress Energy to gamble tens of billions of public dollars on new coal and nuclear plants.

Both utilities responded yesterday by urging the NC Utilities Commission to strike nearly all of Dr. Blackburn's testimony planned for a July 1 hearing. If the Commission concedes, Duke and Progress could avoid having to answer a growing list of questions about why they are pushing for huge new plants – forcing customers to shoulder unprecedented financial risk – even as industry data confirms a large surplus of regional electric capacity for many years to come.

The potential energy savings of 19%, reflected in a 189-page report by Duke Energy consultant Forefront Economics Inc., dwarfs the efficiency projected by Duke in plans filed with the Commission. Despite CEO Jim Rogers' much touted "Save-a-watt" efficiency proposal, the company's Integrated Resource Plans show that Duke projects less than 2% in energy savings over 15 years.

Blackburn, former chair of Duke University's economics department and an author of books on renewable energy, prepared pre-filed testimony for NC WARN. In it, he shows that with only 10% energy efficiency, along with minimal renewable energy and cogeneration (a huge resource that remains untapped due to utility obstruction), Duke can avoid building risky new plants.

Progress has not yet filed a formal program for energy efficiency, but similar reductions should be available that would avoid the need for new nuclear plants. (The company is spending millions in image advertising to paint itself green.) A 2007 state-commissioned study showed 14% in energy-saving is achievable even without including key technologies such as solar water heating.

Efficiency in particular is urgently needed for reduction of greenhouse gases, as the world's top scientists warn that fast-accelerating climate changes are approaching irreversible, catastrophic tipping points.

It's predictable that Duke and Progress would try to silence Dr. Blackburn. He played a key role in debunking their forecasts in the 1980s, leading to cancellation of nine nuclear plants begun in the Carolinas. Both companies' growth forecasts have been exaggerated over the years. Blackburn notes that both have lowered their projections for baseload and peak demand (not due to efficiency) even while arguing for new plants.

Data from the Southeastern Electric Reliability Council, a utility consortium, confirms that regional utilities plan to overbuild by more than 60 large power plants so that Duke, Progress and others can increase sales of power to other regions.

Another topic of the July 1st hearing will be programs that encourage customers to waste energy. In March, the Commission ordered Duke and Progress to stop recruiting new customers into one such program – but allowed 160,000 homes to keep using the plans, thus wasting power indefinitely.

It's tragic that North Carolina ratepayers are being dragged into building high-risk and dangerous new plants with our utilities having impeded efficiency and conservation. It's shameful that Duke Energy has ignored its own study that proves a new coal-fired unit at Cliffside is clearly not needed. Based on these revelations, the Utilities Commission and/or the Easley administration should immediately cancel permission for CEO Rogers to build Cliffside. And the public must hold elected officials accountable.

The Commission and news media must not allow the utilities to again squelch open debate. The power companies must be required to fully explain why they should be allowed to gamble billions of public dollars on power plants that are not needed – as shown by their own consultants.

As Dr. Blackburn states in his testimony: *"Sinking tens of billions of dollars into new nuclear power plants and large coal plants will significantly limit the expenditures on other sources of energy ... As I have shown above, a series of reasonable adjustments to the demand forecasts postpone or eliminate the need for new and expensive generating plants. Now is the time to implement the potential we have seen in renewable energy and energy efficiency."*

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Link to Dr. Blackburn's testimony:

<http://ncuc.commerce.state.nc.us/cgi-bin/webview/senddoc.pgm?dispfmt=&itype=Q&authorization=&parm2=GBAAAA55180B&parm3=000127213>

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